Declassified in Part - Sanitized Copy Approved for Release 2012/03/02: CIA-RDP88G01332R001100130014-1

TRANSMITTAL SLIP	7-29-86
TO: DDA	
ROOM NO. BUILDING	
MS/DA	12.9 SEP 1986
EXA/DA To	1 OCT 1986
ADDA	7 OCT 1986
DDA _ ALC	10 COT 1986
DDA REG.	
DIOP, DIOS, & DI	OF received
cc: The other D	
FROM:	Dikectoks
ROOM NO. BUILDING	Done MCR 93076
1014 Na	

STAT

36-1660x

24 September 1986

ME MORANDUM FOR: (See Distribution)

FROM:

STAT

Deputy Director for Legislation Office of Congressional Affairs

SUBJECT:

Legislative Program for the 100th Congress

DCI Approval and Transmittal to OMB

- 1. On September 19, 1986, the Director of Central Intelligence approved the "Central Intelligence Agency and Intelligence Community Proposed Legislative Program for the First Session of the 100th Congress".
- 2. The Program, as approved, is being transmitted to the Office of Management and Budget. A copy is attached for your information.

3. Within the next several weeks we expect to begin preparing for circulation and comment by the Community a draft of the proposed Intelligence Authorization Act for Fiscal Year 1988.

STAT

Deputy Director for Legislation Office of Congressional Affairs

Attachment as stated

I paper clipped the ones of

must immodiate impact to us.

\*1 - authorization ect

\*3 - employees on margin

#21 - drags/alated program

\* 24 - tritian autistance

\* 29 - expanded role of Exdir?

100/13

STAT

CENTRAL INTELLIGENCE AGENCY
AND
INTELLIGENCE COMMUNITY
PROPOSED LEGISLATIVE PROGRAM
FOR THE FIRST SESSION
OF THE 100th CONGRESS

(Asterisk indicates those items currently included in either H.R. 4759 or S. 2477, the House and Senate versions, respectively, of the Fiscal Year 1987 Intelligence Authorization Bill)

#### LEGISLATIVE PROPOSALS

100/1 - 1:

### Fiscal Year 1988 Intelligence Authorization Act

The Director of Central Intelligence will submit to the Office of Management and Budget for clearance a proposed Fiscal Year 1988 Intelligence Authorization Act for transmittal to the Congress.

100/1 - 2:

### Protection of Intelligence Information

The Director of Central
Intelligence may propose
legislation to provide criminal
penalties for the unauthorized
disclosure of classified
information by federal employees,
by others having authorized access
to it and by those who acquire and
disclose it without authorized
access. The DCI may support this
proposal as contained in other
legislation.

100/1 - 3:

### Right To Financial Privacy Act Amendment

The Director of Central
Intelligence (DCI) may propose
legislation to clarify the Agency's
authority to examine the financial
records of employees where grounds
exist to believe they may be



vulnerable to a counterintelligence threat. The DCI may also support extensions of any such authority to other agencies in the Intelligence Community as appropriate.

100/1 - 4:

### Department of Defense Proprietaries

At the request of the Department of Defense, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act legislation which would grant the Department of Defense authority to establish and operate corporations or other business entities in support of authorized and appropriately coordinated intelligence activities and may support this proposal as contained in other legislation.

\*100/1 - 5:

### Exemption from Requirement to Publish Record Disposal Requests

If it does not become law as part of the Fiscal Year 1987
Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act legislation to amend the U.S. Code to exempt the Central Intelligence Agency and the National Security Agency from the requirement that the Archivist publish in the Federal Register the records disposal requests for the purpose of soliciting public comment.

\*100/1 - 6/A

#### Survivor and Health Benefits for Certain Former Spouses of CIA Employees

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act. the Director of Central Intelligence may include in the Fiscal Year 1988 Intelligence Authorization Bill an amendment to the law governing the Central Intelligence Agency Retirement and Disability System (CIARDS) so as to provide survivor benefits for certain former spouses divorced prior to the effective date of the CIA Spouse Equity Act of 1982 (15 November 1982) and health benefits for certain former spouses divorced prior to the effective date of the Civil Service Spouse Equity Act (7 May 1985).

100/1 - 6/B

### Conformance of Certain Provisions of CIARDS with P.L. 98-615

The Director of Central Intelligence may propose legislation to amend the law governing the Central Intelligence Agency Retirement and Disability System (CIARDS) so as to incorporate certain former spouse entitlements which were made available to former spouses or participants in the Civil Service Retirement System by passage of the Civil Service Spouse Equity Act of 1984.

100/1 - 7:

#### FOIA Relief for FBI

In addition to the relief from the provisions of the Freedom of Information Act (FOIA) currently being sought by the Federal Bureau of Investigation (FBI) and the Department of Justice, the Director of Central Intelligence, at FBI's request, may concur in an

amendment to the FOIA which would exempt FBI's counterintelligence files from the provisions of the FOIA that require search, review, and publication, provided those files are not older than five years.

\*100/1 - 8:

## Access by FBI to Financial Records For Counterintelligence Purposes

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act, at the request of the Federal Bureau of Investigation (FBI), an amendment to the Right to Financial Privacy Act that would require financial institutions to comply with requests by the FBI for financial records when such requests have been approved by the Attorney General or his designee for counterintelligence purposes.

100/1 - 9:

#### Access by FBI to Tax Records for Counterintelligence Purposes

The Director of Central
Intelligence may include in the
proposed Fiscal Year 1988
Intelligence Authorization Act, at
the request of the Federal Bureau
of Investigation (FBI),
legislation that would authorize
the FBI, upon approval by the
Attorney General or his designee,
to receive tax return and taxpayer
information regarding individuals
that are the subject of a
counterintelligence investigation.

\*100/1 - 10:

### Access by FBI to Toll Records For Counterintelligence Purposes

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act, at the request of the Federal Bureau of Investigation (FBI), legislation that would require telephone companies to comply with requests by the FBI for toll records when such requests have been approved by the Attorney General or his designee for counterintelligence purposes.

\*100/1 - 11:

### Authority to Expend Funds for Consultation with Foreign Officials

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act, at the request of the Federal Bureau of Investigation (FBI) and the Department of Defense (DoD), legislation that would authorize the expenditure of funds to bring foreign officials who have counterintelligence responsibilities in their own countries to the United States for consultation with FBI and DoD representatives.

\*100/1 - 12:

#### Access by FBI to State and Local Criminal Records

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act, at the request of the Federal Bureau of Investigation (FBI), legislation that would authorize access by the FBI to state and local criminal records for purposes of determining eligibility for access to classified information.

\*100/1 - 13:

## Loss of Federal Pension for Violation of Intelligence Identities Protection Act

If it does not become law as part of the Intelligence Authorization Act for Fiscal Year 1988, the Director of Central Intelligence may include in the proposed Intelligence Authorization Act for Fiscal Year 1988 a provision providing for the loss of federal pension for a federal employee convicted of a violation of the Intelligence Identities Protection Act.

\*100/1 - 14:

# Defense Intelligence Agency (DIA) Proposal to Extend Termination Authority of Secretary of Defense with Respect to Defense Intelligence Agency Civilian Personnel

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act, at the request of the Defense Intelligence Agency (DIA), an amendment to Chapter 83 of title 10, United States Code, to extend for two

additional fiscal years the authority of the Secretary of Defense to terminate the employment of DIA civilian personnel originally provided in Title V of the Fiscal Year 1985 Intelligence Authorization Act.

\*100/1 - 15:

Department of Defense Proposal to

Extend the Provision of Section 1604,

P.L. 98-618, to the Military

Departments

Title V of the Fiscal Year 1985 Intelligence Authorization Act (P.L. 98-618) entitled, "Defense Intelligence Agency Personnel Management Improvements," granted the Secretary of Defense certain personnel management authorities with regard to civilian officers and employees in the Defense Intelligence Agency. If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act, at the request of Department of Defense, legislation to extend these authorities to civilian officers and employees in the intelligence organizations of the military departments.

\*100/1 - 16:

### Exchange of Mapping, Charting, and Geodetic Data with Foreign Nations

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act, at the request of the Department of Defense, legislation which would clarify the authority of the Defense Mapping Agency to exchange or furnish

mapping, charting and geodetic (MC&G) data, supplies or services to a foreign country pursuant to an agreement for the production or exchange of MC&G data.

\*100/1 - 17:

# Related Travel and Medical Care Expenses for Defense Intelligence Agency Civilian Employees Serving Overseas

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act, at the request of the Defense Intelligence Agency (DIA), legislation to provide DIA the authority to pay for travel and related expenses in connection with obtaining necessary medical care for DIA civilian employees serving abroad equivalent to that now available to employees of the Central Intelligence Agency, the National Security Agency, and the Foreign Service.

\*100/1 - 18:

### Acceptance of DCI Awards by Military Intelligence Personnel

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act, at the request of the Department of Defense, legislation to ensure that there is authority for the granting and acceptance of incentive awards for service performed by civilian and military personnel for intelligence-related activities.

\*100/1 - 19:

#### NSA Guard Force

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act, at the request of the National Security Agency (NSA), legislation to authorize NSA personnel to assume with respect to certain NSA facilities the protective service functions currently performed there by personnel of the General Services Administration.

\*100/1 - 20:

#### NSA Critical Skills Tuition Assistance Program

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act a provision granting to the National Security Agency (NSA) the authority to establish a "critical skills" college tuition assistance program. Under this program, NSA could offer tuition assistance to those student employees pursuing a course of studies in a designated "critical skills" area: mathematics, foreign languages, computer sciences, etc.

100/1 - 21:

### Clarification of CIA/NSA/DIA Drug & Alcohol Abuse Authorities

In light of the uncertainty created by recent case law concerning alcohol and drug abuse, the Director of Central Intelligence may propose or support legislation to ensure that the Central Intelligence Agency, the National Security Agency and the Defense Intelligence Agency are able to continue to deal with security problems in the area of alcohol and drug abuse without regard to the provisions of any other law, rule, or regulation.

100/1 - 22:

#### Congressional Security Survey

The Director of Central Intelligence (DCI) may support or propose legislation to authorize the provision of Executive Branch assistance to the Congress in conducting a comprehensive assessment of Congressional personnel and physical security needs.

100/1 - 23:

#### Foreign Agents Training Act Amendment

The Director of Central Intelligence may include in the proposed Fiscal Year 1988 Intelligence Authorization Act a proposal to amend the Foreign Agent Training Act to make clear that individuals who have received training in espionage by a foreign government, but who have failed to register as required by that Act, cannot subsequently cure the violation through registration. The proposal would also increase the penalty for failing to register as required by the Act.

\*100/1 - 24:

#### CIA Critical Skills Tuition Assistance Program

If it does not become law as part of the Fiscal Year 1987 Intelligence Authorization Act, the Director of Central Intelligence will include in the proposed Fiscal Year 1988 Intelligence Authorization Act a provision expanding the authority of the Central Intelligence Agency (CIA) to establish a "critical skills" college tuition assistance program.



Under this program, CIA could offer tuition assistance to those student employees pursuing a course of studies in a designated "critical skills" area: mathematics, foreign languages, computer sciences, etc. This item is similar to item 100/1 - 20 as related to the National Security Agency.

100/1 - 25:

Repeal of Outdated, Unnecessary or Burdensome Reporting Requirements and Programmatic Restrictions

The Director of Central Intelligence may include in the proposed Fiscal Year 1988 Intelligence Authorization Act, and/or in the materials transmitted to the Congress in connection therewith, provisions designed to repeal outdated, unnecessary or burdensome reporting requirements and programmatic restrictions.

100/1 - 26

#### Foreign Cryptography Control

At the request of the National Security Agency (NSA), the Director of Central Intelligence may propose or support legislation granting the Secretary of Defense and the Director of NSA the authority to prevent the introduction of foreign-manufactured cryptography into governmental inventories and to bar foreign companies from accessing governmental cryptography.

100/1 - 27

### Tax Exemption For Allowances Paid to Certain NSA Employees

At the request of the National Security Agency (NSA), the Director of Central Intelligence may include in the proposed Fiscal Year 1988 Intelligence Authorization Act an amendment to the Internal Revenue Code to exempt from taxation allowances paid to certain NSA employees under the NSA Act of 1959. Currently, these same allowances as paid to employees of the Foreign Service and the Central Intelligence Agency are tax exempt.

100/1 - 28

### Retroactive Pay for Certain NSA Employees

At the request of the National Security Agency (NSA), the Director of Central Intelligence may include in the proposed Fiscal Year 1988 Intelligence Authorization Act an amendment to the NSA Act of 1959 to authorize the award to otherwise eligible NSA employees of the retroactive pay benefits awarded to certain non-NSA employees by virtue of the decision in Squillacoate v. United States, 739 F.2d 1208 (7th Cir. 1984), cert. denied, 105 S.C. 2021 (1985).

100/1 - 29

#### Ensuring Continuity of DCI Function

The Director of Central Intelligence (DCI) may propose or support legislation to ensure greater continuity in the exercise of the DCI function when the DCI or the Deputy Director for Central Intelligence are not able to exercise that function.

100/1 - 30

### Limited, Intelligence-Related Interlocutory Appeal Authority

The Director of Central Intelligence (DCI) may propose legislation authorizing an interlocutory appeal by the United States in certain cases involving intelligence agencies. The appeal would be allowed from a decision of a United States court on an evidentiary ruling or dispositive motion which would significantly impair intelligence agency authorities.

100/1 - 31:

Equalization of Uniform Allowance for Certain Foreign National Employees
Employed by the Defense Intelligence
Agency in Embassies Abroad

The Director of Central Intelligence may, at the request of the Defense Intelligence Agency (DIA), propose legislation to provide the Director, DIA, the authority to pay certain foreign national employees employed by DIA in embassies abroad an annual uniform allowance equivalent to that paid by the Department of State to foreign national employees in similar positions.

100/1 - 32:

Exemption for the Defense
Intelligence Agency (DIA) from
Certain Federal Personnel Data
Reporting Requirements

The Director of Central Intelligence at the request of the Defense Intelligence Agency (DIA), may propose a statutory exemption for DIA from certain routine, unclassified federal personnel data reporting requirements.

100/1 - 33:

Eligibility of Defense Intelligence
Agency Military Attaches and Civilian
Personnel Assigned to Defense Attache
Offices for Department of Defense
Death Gratuity for Members and
Employees Assigned to Intelligence
Duties Abroad

The Director of Central Intelligence may propose, at the request of the Defense Intelligence Agency, an amendment to Chapter 75 of Title 10 United States Code, to allow surviving dependents of military attaches and civilian personnel supporting such attaches killed while serving in embassies abroad to be

eligible for the current Department of Defense death gratuity available to surviving dependents of members of the Armed Forces and Department of Defense employees killed while assigned to intelligence duties abroad.

100/1 - 34:

#### Secure Promotions For Certain Military Intelligence Officers

The Director of Central Intelligence, at the request of the Department of the Army, may purpose legislation to establish a method of securely promoting certain U.S. Army military intelligence officers. Currently, these officers are promoted in accordance with an unwritten agreement between the Congress and the Executive. The legislative proposal would establish a viable permanent method for their secure promotion.

100/1 - 35:

#### Intelligence Identities Protection Act

The Director of Central Intelligence, at the request of the Department of the Army, may submit legislation to amend the Intelligence Identities Protection Act so as to include within the protection of that Act two classes of Army human intelligence sources who appear to be excluded from coverage of the Act.

OCA 86-3034

```
SUBJECT: Legislative Program for 100th Congress - Request for
          Transmission to OMB
          (Final Draft submitted 22 September 1986)
Distribution:
    Internal Distribution Only
    Original - (See external distribution to IC Staff)
           1 - SA/DCI
           1 - SA/DDCI
           1 - EXDIR
           1 - DDO
           1 - DDI
           1 - DDS&T
           1 - DDA
           1 - Inspector General
           1 - Comptroller
           1 - General Counsel
           1 - D/OP
           1 - D/OS
           1 - D/OF
           1 - DD/Senate Affairs
           1 - DD/House Affairs
           1 - D/OCA
           1 - ExO/OCA
           1 - DDL/OCA
           1 - OCA Registry
           1 - OCA/Leg/Subject File 100th Congress -
```

Legislative Program

OCA/Leg/PS/JR:cbt/pap (22 September 1986 = final draft)

OCA 86-3034

SUBJECT: Legislative Program for 100th Congress - Request for Transmission to OMB (Final Draft submitted 22 September 1986)

### Distribution: External Distribution Only

```
Original - Director, Intelligence Community Staff
                      (General Edward J. Heinz
                                                                    STAT
           1 - Director, CCISCMS (Community Counterintelligence)
                                   - Room 1005 - Ames Bldg.)
                                                                    STAT
           1 -
                         IC Staff
                                                                    SIAL
           2 - NSC Staff (deGraffenreid/Thompson)
           1 - State Department (Joan Donoghue)
           1 - DoJ (Perkins)
           l - FBI (Rissler)
           1 - DoD (Col. Jon Anderson/LA)
           1 - NSA
                                                                    STAT
           1 - DIA
           1 - DOA (Winchester)
           1 - OCA Registry
           1 - JR/Signer
           1 - OCA/Leg/Subject File: Legislative Program -
                                     100th Congress
OCA/Leg/PS/JR:cbt/pap (22 September 1986 = final draft)
```

Declassified in Part - Sanitized Copy Approved for Release 2012/03/02: CIA-RDP88G01332R001100130014-1

LEGALTING AND TRANSMITTAL SLIP			Date			
THOMASMITTAL SLIP	2	6 SEPT	86			
ol, room number, st)		Initials	Dete, 98			
		IN.	SEP			
	•	1/K	CEP 190			
		S	9/29			
File	Note	Note and Return				
For Clearance		Per Conversation				
s Requested For Correction roulete For Your Information						
For Your Information	-	See Me Signature				
Investigate	Sign					
		11				
	File For Clearance For Your Information	File Note For Correction Prepared For Your Information See	File Note and Return For Correction Prepare Reply  For Your Information See Me			

I apoke to OCA.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bidg.

Phone No.

U.S.G.P.O.: 1983-421-529/320 OPTIONAL FORM 41 (Rev. 7-76)
Proceeding to the control by GRAND CONTROL TO THE CONTROL THE CONTROL TO THE CONTRO

ROUTING AND RECORD SHEET								
UBJECT: (Optional)								
Views Letter								
			EXTENSION	NO. 36 - 1645X S				
Director of Congressiona	l Affaiı	rs	·	DATE				
O: (Officer designation, room number, and	DATE		<u> </u>	26 September 1986				
uilding)	RECEIVED	FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)				
1.	RECEIVED	TORWINGES						
Executive Director				Here is the views letter I				
2.	<del> </del>			mentioned at the morning meeting. I need your comments ASAP. We				
DDA)				want to send it by courier to the				
	+	<u> </u>	<u>.                                    </u>	two Committees immediately after the Director signs it.				
DDO				allo Biroccor Signa 10.				
4.		<del>                                     </del>		1				
DDS&T			 	S <sup>-</sup>				
5.				†				
DDI								
6.				1				
Comptroller								
7.				1				
3.								
<b>).</b>								
0.								
1.				The second section of the sect				
		ļ	ļ	100-13				
2.				100-13				
				1				
3.								
		-		4				
4.								
				4				
5.			1					

FORM 610 USE PREVIOUS

Central Intelligence Agency



The Honorable Dave Durenberger Chairman Senate Select Committee on Intelligence United States Senate Washington, D.C. 20510

Dear Mr. Chairman:

I write to provide you the views of the Central Intelligence Agency on the Senate and House versions of the "Intelligence Authorization Act for Fiscal Year 1987", S. 2477 and H.R. 4759, respectively.

There are two provisions in the House bill to which the Agency has serious objections. The first is found in Section 602 of the House bill. It would require reports to the Congress on certain covert arms transfers. This provision would make permanent what was originally enacted as part of the Fiscal Year 1986 Intelligence Authorization Bill to cover just Fiscal Year 1986. Last year this Agency expressed its strong opposition to that provision, and we continue to believe that such a requirement imposed by statute is unnecessary and inappropriate. Instead, we believe that details regarding the scope of notification to the oversight committees should be governed by agreements between the committees and the Agency which afford the necessary flexibility not found in legislation. The Agency has negotiated an updated agreement with SSCI governing notification to that Committee of activities conducted pursuant to approved covert action programs. Negotiations are underway with the HPSCI on a similar agreement. Since these agreements will provide the Committees with the same information sought by the provision, the Agency urges the conference committee to delete Section 602 of the House bill. At a minimum, we would hope that the provision could only be extended for one more year so as to permit us to continue our negotiations with HPSCI.

The second provision to which the Agency objects is Section 507 of the House bill. This section would require a detailed report not only to the intelligence committees, but also to the Senate Governmental Affairs Committee and the House Post Office and Civil Service Committee on the structure of intelligence community personnel systems. We oppose this provision because it needlessly duplicates the oversight function already being exercised generally by the intelligence committees and specifically duplicates an ongoing examination of this subject by the SSCI. The intelligence committees, because of their access to the full range of community personnel programs and activities and full classified data, are in the best position to continue to exercise congressional oversight.

During Senate floor consideration of the Senate bill, two amendments offered by Senator Helms were adopted. We were apprised of the contents of these amendments only a few hours before they were offered and, thus, were not able to analyze in detail their impact before they were passed by the Senate shortly thereafter. CIA certainly did not actively support these amendments, and we have problems with both of them in their present form. Our concerns may be summarized as follows:

The first Helms amendment directs the insertion in the classified annex to the Senate bill of a supplement containing various provisions related principally to the conduct of intelligence analysis. We believe that many of the specific items requested in the supplement are ill-advised, duplicative of ongoing analytical efforts, or otherwise inappropriate for inclusion in an intelligence authorization bill. If the conferees should decide to retain this amendment, we would urge at a minimum that the language of the classified supplement be modified as indicated in the enclosed revised version.

The second Helms amendment would require the Director of Central Intelligence to conduct a study of human rights violations in Panama and report thereon to the intelligence committees. While the Agency understands the concerns which gave rise to this amendment, we have problems with it in its present form. The rationale for our opposition was best expressed by the Chairman and Ranking Minority Member of the Senate Select Committee on Intelligence during floor consideration of the amendment. As they indicated, it is inappropriate to direct in an open forum that an "intelligence study" of a particular country be undertaken. For both intelligence and foreign policy reasons, the United States Government almost never openly indicates an intelligence interest in a particular country. Such interest should, instead, be indicated through other less overt channels. Further, as was expressed by Senator Leahy, there are already in existence mechanisms which monitor and report on the human rights situations in a particular country. For these reasons, we ask the conferees to carefully consider the amendment before agreeing to its adoption in its present form.

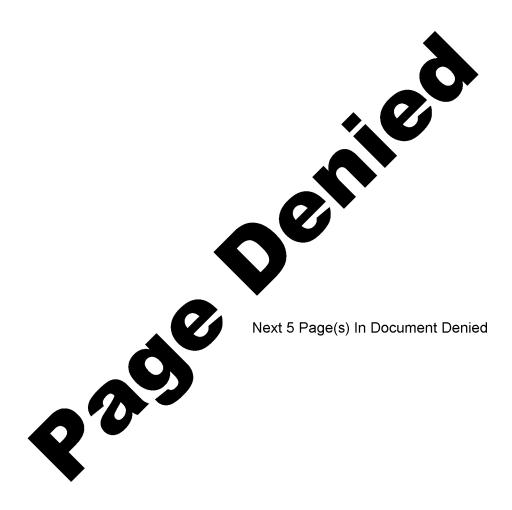
The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

A similar letter is being sent to Vice Chairman Leahy.

Sincerely,

William J. Casey
Director of Central Intelligence

Enclosure



**STAT** 

Central Intelligence Agency



The Honorable Lee H. Hamilton Chairman Permanent Select Committee on Intelligence House of Representatives Washington, D.C. 20515

Dear Mr. Chairman:

I write to provide you the views of the Central Intelligence Agency on the Senate and House versions of the "Intelligence Authorization Act for Fiscal Year 1987", S. 2477 and H.R. 4759, respectively.

There are two provisions in the House bill to which the Agency has serious objections. The first is found in Section 602 of the House bill. It would require reports to the Congress on certain covert arms transfers. This provision would make permanent what was originally enacted as part of the Fiscal Year 1986 Intelligence Authorization Bill to cover just Fiscal Year 1986. Last year this Agency expressed its strong opposition to that provision, and we continue to believe that such a requirement imposed by statute is unnecessary and inappropriate. Instead, we believe that details regarding the scope of notification to the oversight committees should be governed by agreements between the committees and the Agency which afford the necessary flexibility not found in legislation. The Agency has negotiated an updated agreement with SSCI governing notification to that Committee of activities conducted pursuant to approved covert action programs. Negotiations are underway with the HPSCI on a similar agreement. Since these agreements will provide the Committees with the same information sought by the provision, the Agency urges the conference committee to delete Section 602 of the House bill. At a minimum, we would hope that the provision could only be extended for one more year so as to permit us to continue our negotiations with HPSCI.

The second provision to which the Agency objects is Section 507 of the House bill. This section would require a detailed report not only to the intelligence committees, but also to the Senate Governmental Affairs Committee and the House Post Office and Civil Service Committee on the structure of intelligence community personnel systems. We oppose this provision because it needlessly duplicates the oversight function already being exercised generally by the intelligence committees and specifically duplicates an ongoing examination of this subject by the SSCI. The intelligence committees, because of their access to the full range of community personnel programs and activities and full classified data, are in the best position to continue to exercise congressional oversight.

During Senate floor consideration of the Senate bill, two amendments offered by Senator Helms were adopted. We were apprised of the contents of these amendments only a few hours before they were offered and, thus, were not able to analyze in detail their impact before they were passed by the Senate shortly thereafter. CIA certainly did not actively support these amendments, and we have problems with both of them in their present form. Our concerns may be summarized as follows:

The first Helms amendment directs the insertion in the classified annex to the Senate bill of a supplement containing various provisions related principally to the conduct of intelligence analysis. We believe that many of the specific items requested in the supplement are ill-advised, duplicative of ongoing analytical efforts, or otherwise inappropriate for inclusion in an intelligence authorization bill. If the conferees should decide to retain this amendment, we would urge at a minimum that the language of the classified supplement be modified as indicated in the enclosed revised version.

The second Helms amendment would require the Director of Central Intelligence to conduct a study of human rights violations in Panama and report thereon to the intelligence committees. While the Agency understands the concerns which gave rise to this amendment, we have problems with it in its present form. The rationale for our opposition was best expressed by the Chairman and Ranking Minority Member of the Senate Select Committee on Intelligence during floor consideration of the amendment. As they indicated, it is inappropriate to direct in an open forum that an "intelligence study" of a particular country be undertaken. For both intelligence and foreign policy reasons, the United States Government almost never openly indicates an intelligence interest in a particular country. Such interest should, instead, be indicated through other less overt channels. Further, as was expressed by Senator Leahy, there are already in existence mechanisms which monitor and report on the human rights situations in a particular country. For these reasons, we ask the conferees to carefully consider the amendment before agreeing to its adoption in its present form.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

A similar letter is being sent to Ranking Minority Member Stump.

Sincerely,

William J. Casey
Director of Central Intelligence

**Enclosure**